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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, SE Division
ATTN : ☐ ☐ Room 1416 "J" Bldg.

DATE: 12 AUG 1954

FROM : Chief, Special Security Division

SUBJECT: National Committee for Free Albania
#69000-234

1. During a recent investigation concerning another matter, the following information from the records of G-2 was made available to this office and in view of its nature, is being transmitted to you in detail for information purposes.

2. A memorandum dated 1 July 1954 to the Chief, Security Division, from the Chief, Collection & Dissemination Division, concerning the National Committee for Free Albania, forwarded a letter from G-2, USAREUR, file 350.09 (CI/CE&CS/CE), same subject, dated 10 June 1954, to the Security Division as a matter of primary security and counterintelligence interest. Collection & Dissemination Division requested notification of any overture made by Central Intelligence Agency to G-2, Department of the Army, relative to this matter.

3. The letter dated 10 June 1954, referred to above, reflects that on 17 March 1954 G-2, USAREUR, was approached by the Department of the Army Detachment with a request that the AC of S, G-2, USAREUR, effect the dismissal of four members of the 4,000th Labor Service Company. On the basis of this request the 66th CIC Group was directed to initiate investigation to determine if political activity within the company were a disruptive influence on the efficiency of the company. Current USAREUR policy precluded discharge without cause.

4. The 66th CIC Group replied initially that in the absence of any additional information concerning the matter the request appeared valid and recommended that not only the leaders be dismissed but that potential leaders also be considered for dismissal. This proposal was discussed with the Psychological Warfare Branch, G-3, USAREUR. That office disagreed with the proposal on the grounds that the Army had too little information available and that the propaganda risk was too great to move prematurely. Department of the Army Detachment was advised of this decision with the statement that results of investigation would be furnished when received. Department of the Army Detachment was requested to furnish any additional information available plus evaluation of the source of the allegations.

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SECRET

5. On 13 May 1954 Department of the Army Detachment advised that one of the four individuals (Adnan YPI) had dropped his opposition. The discharge of the remaining three was requested. On 24 May 1954 a Detachment of the Army representative verbally requested that the AC of S, G-2, expedite the discharge.

6. On 25 May 1954 the results of the 66th CIC investigation were studied by officers of G-2 and G-3. It was determined that no security or other supportable basis existed for the discharge of the three individuals existed. This decision was furnished Department of the Army Detachment on 27 May 1954. On 9 June 1954 Department of the Army Detachment verbally advised that the original request had been received from Washington and that the above decision would be reported to Washington.

7. Inasmuch as Central Intelligence Agency, Washington, might approach G-2, Washington, on the matter, the above resume and an attached 66th CIC Agent Report were furnished to G-2, Washington, as a matter of information and any action deemed appropriate. No further action was contemplated by G-2, USAREUR unless otherwise directed.

8. Internal Route Slip dated 17 March 1954 from Department of the Army Detachment to G-2, CI Branch (USAREUR), reflects that four years ago the U.S./British-controlled (U.S. financed) National Committee for Free Albania recruited under United States direction approximately two hundred Albanian refugees to form the Albanian Labor Service Company in Germany. Though Department of the Army Detachment had no interest in this Labor Service Company as such, the United States-supported Albanian politicians who made up the N.D.F.A. still regarded the Labor Service Company personnel as their own private army and one which they would one day lead back to Albania to liberate their country. Four and one half years during which the N.C.F.A. had been financed by the United States, a minority group (Balli Kombetar Agrarian, a leftist group), which was strongly pro-British, had sought to use United States financial support to turn the N.C.F.A. into a vehicle which could be used to establish the Balli Kombetar Agrarian as the next government of Albania.

9. In October 1953 Department of the Army Detachment, meeting with British authorities in London, imposed a reorganization of N.C.F.A. upon the committee. The purpose of this reorganization was to make the committee more easily controlled and to equalize British influence within the organization. The leftist Balli Kombetar Agrarian, realizing that they could no longer merchandise (sic) United States financial support, decided to withdraw from N.C.F.A. Immediately after this withdrawal, its leaders started

SECRET

SECRET

-3-

an anti-N.C.F.A. (and anti-United States) propaganda campaign calculated to destroy the organization in which Department of the Army Detachment had invested \$1,000,000. Unfortunately, these Balli Kombetar insurgents had about eighty followers in the Albanian Labor Service Company; these followers were contributing to the financial support of the insurgents and to the propaganda campaign which was being waged against the United States and N.C.F.A. It was reported from other Albanian sources within the company that approximately \$900 per month was being sent to the insurgents by their sympathizers in the Labor Service Company.

10. Obviously, the United States was being made to look ridiculous by financing enemies who sought to destroy an organization which the United States supported both morally and financially. Added to this situation was the fact that the other 120 members of the Albanian Labor Service Company, who were followers of Albanian politicians friendly toward the United States, would be ordered out of the company by their political leaders if the United States refused to take steps against the men who sought to destroy them. The ideal solution, of course, would be to discharge all eighty of the insurgents. This course of action, however, was not practical due to the problem of replacements and the difficulty of discharging such a large portion of a Labor Service Company. In a discussion with Colonel SMITH, Chief, Labor Service Division, USAREUR, it was determined that the best solution was to effect the discharge of four or five of the ring leaders of the group. The names of these leaders were: Caush BASHO, Adnan YPI, Rusten KUQKA, Kasem ALIMEHMETE. According to Colonel SMITH, the recommendation for such action necessarily would emanate from G-2, USAREUR.

11. A summary of information dated 17 May 1954 from Headquarters, 66th CIC Group, Bad Cannstatt, reflects that the CR files of that headquarters revealed the following information concerning the "Legalitet" Albanian Democratic Party in Exile: This outfit was the political exponent of former King ZOG of Albania, and its membership consisted, for the most part, of former members of the Army in Albania. The party was formed in Albania prior to World War II during the reign of King ZOG, but after ZOG fled from the country, the party, being monarchist in principle, was banned. It began to operate abroad. The head of the party, Abas KUPI, a former Major of the Albanian Army, was presently residing in Rome, Italy. Other leaders of the "Legalitet" were General (fnu) PEVERSKI, former commanding officer of the Albanian Army during the reign of ZOG; Dzemat RANTISTA, former member of the Albanian Parliament during the reign of ZOG; Avdul SUILA, former member of the Albanian Parliament during the reign of ZOG. There were two important centers of the "Legalitet." The main center was in Egypt, where the party was materially aided by the Arab and other

SECRET

SECRET

-4-

Moslem movements. The other center was located in Rome at Via Livorno 42. It was the political and technical center and was headed by KUPI. This group received financial support from a group of Italians who were sympathetic towards Albania during the reign of ZOG. The "Legalitet" was also allegedly in contact with British Intelligence, and representatives of this group were sent by British Intelligence to the Island of Crete, where they were trained in a counter-intelligence course and later sent to Albania as operatives of British Intelligence. The party was a member of the Committee for Free Albania which was formed in the United States. The center of the committee in the United States was 839 West End Avenue, New York 25, New York. This committee also had a center in Rome, Italy, located in Piazza Trasimeno 6/3.

12. Agent Report dated 5 May 1954, Dossier #371507, from CIC Region IV, concerning Albanian Political Parties in Exile, reflects that the Albanian group "Balli Kombetar was first organized in 1939 in Albania under the influence of Midhat FRASHERI, former President of Albania (from 1929 to 1931). FRASHERI collaborated with the Italian Fascist Movement at that time and was subsequently appointed Regent of Albania by the German Occupation Forces during World War II for his collaboration. After the capitulation of Italy, the Balli Kombetar was split and disorganized. A majority of the group was shipped to Italy, along with Italian troops, where they were confined as prisoners of war. Others joined partisan movements in Albania under Enver HODZA and in Yugoslavia under TITO. FRASHERI emigrated to the United States shortly after World War II. He spent several years in various countries trying to organize resistance groups, and on 26 August 1949 in Paris, France, brought about the formation of the National Committee for Free Albania. The purpose of this organization was to unite all Albanian resistance groups in the struggle against Communism. Among the major parties developed by the organization was the Balli Kombetar and the Legalitet. FRASHERI was the leader and president of Balli Kombetar until his death on 4 October 1950. He was replaced by one Hasan DOSTI, who was recently ousted as president in the elections of the group on 24 February 1954 in Naples, Italy.

13. The group of Balli Kombetar abroad is presently split into two factions. The Agrarian faction, with headquarters in New York City, is lead by one Abas ERMENI. This faction has subordinate headquarters located in London, Paris and Athens. This party is directed by a central committee consisting of twelve members who were elected in free elections by the members of the party. This faction was desirous of having a democratic government for Albania and was constructed on the lines of a democratic government. The group is represented in the International Peasant Union, and until recently in the N.C.F.A. It publishes two newspapers, one of which is printed in the United States as the "Shquipena," and the other is

SECRET

SECRET

-5-

printed in Naples, Italy, and is known as the "Flamuri" (the Flame). This party is supported by the British, the Americans, American individuals of Albanian descent, and Albanian refugees in Europe, Asia and Africa. The group has no headquarters or committee in Germany; however, it has a representative in the 4,000th Labor Service Company at Hohenbrunn, Germany. The representative in this unit is Captain Caush BASHO, Commanding Officer of the unit. About forty percent (or 86) of the members of this Labor Service Unit are members of the Balli Kombetar. These members donate six Deutsche Mark monthly to the support of this party. In addition to helping the party financially, these members are staunch followers of the party line. Every member of the group refused to sign an oath of allegiance to the N.C.F.A. in the early part of 1954, which was in accordance with instructions received from their central committee in Rome. The refusal of this group to sign the oath of allegiance to the N.C.F.A. caused much dissension and unrest in the Labor Service Company. One party, the Legalitet, which was headed by Lieutenant Xhemal IACI, who was also the executive officer of the unit, refused to associate or speak to members of the Balli Kombetar. Approximately forty percent of the members of this unit were members of the Legalitet. The situation became so bad that Captain Fred PECHIN, American Supervising Officer of the unit, held a meeting approximately three weeks ago and advised the various groups to forget their political differences and concentrate on their Labor Service duties, which were also being affected and were in a sad state of affairs. Captain PECHIN went so far as to request the resignation of IACI if he did not cooperate. Since that time things had quieted down, generally, but tension still existed between the parties and they were anxiously awaiting decisions which should come from their headquarters in Rome in the very near future. On 4 May 1954 it was reported that the leglitet withdrew its representatives from the N.C.F.A.

14. The orthodox faction of the Balli Kombetar, whose headquarters were in Rome, Italy, was headed by Ali KLISURI. This group had only a small number of members but was represented in the N.C.F.A. Exact number of members in the 4,000th Labor Service Company:

a. Legalitet - a monarchist party desirous for the return of former King ZOG. Its party leader and representative in the 4,000th Labor Service Company was Lt. Xhemal IACI. Its strength was almost equal to that of Balli Kombetar. The chief of this group was one Abas KUPI and its Headquarters located in Rome, Italy. This group just recently withdrew from the N.C.F.A.

b. Without Party - a small group who were followers of Muharem BAJRAKTARI, who was a Baron, governing an almost autonomous principality in Albania. This party had membership in the newly reorganized

SECRET

SECRET

-6-

National Committee for Free Albania. There were only four members of this group in the 4,000th Labor Service Company.

c. Independent Agrarian Party (Peasant Party) - moderate rightist party. This party had membership in the newly organized N.C.F.A. Its headquarters was in Rome, and its leader was Ismail VRLACI. The representatives in the 4,000th Labor Service Company consisted of Lt. Kola HILA (Considered the representative) and sixteen members.

15. Replacements in the 4,000th Labor Service Company were controlled by the N.C.F.A. in Rome. The turnover was less than two percent a year. The Labor Service Center in Munich had nothing to do with replacements of the Labor Service personnel in the 4,000th Labor Service Company.

16. The balance of the report consisted of a roster of the 4,000th Labor Service Company with the party affiliations and duties of each member.

17. No further action in this matter is contemplated by this office unless specifically requested by you.

FOR THE DIRECTOR OF SECURITY:

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